

Ethics is a verb



By Walter Baets

Al Gini, Professor of business ethics, says business is not inherently bad, it is only filled with temptations. Moral leadership is the only safeguard against rotten business, when the game is everything.

The groundbreaking series, *The Sopranos*, is a moral play wherein the central character Tony Soprano is always at odds with himself and with the seemingly evil life of a mobster. Violence and crime are just a part of the nature of the game. Tony fights

to be at the top of the game while trying somehow to remain as moral as possible.

The show won 21 Emmy Awards, five Golden Globes, was honoured with two George Foster Peabody Awards, and in its time was considered the most financially successful series in the history of cable television. Major critics called it the best television series ever made. It also happens to be one of Dr Al Gini's favourite programmes.

"Tony Soprano is a moral leader.

Yes he lives in a world considered evil, but he always evaluates his decisions and always seeks the moral high ground. He doesn't always get it right but he tries. He is a moral leader," said Gini, speaking recently to a sold out audience at a Distinguished Speakers Programme at the UCT Graduate School of Business.

Gini has made the study of ethics and morality his life. He is a Professor of Business Ethics at the School of Business Administration at Loyola

University in Chicago. He co-founded the Business Ethics Quarterly and is a long-time Associate Editor. For two decades he's been the resident philosopher on a popular radio station in Chicago and lectures to community and professional organisations on business ethics. He has authored a number of books, including, *Why It's Hard to be Good*, *Seeking the Truth of Things: Confessions of a Philosopher*, *The Importance of Being Lazy: In Praise of Play, Leisure and Vacation*, and *God Can Quote Me on That*.

At the talk that he gave at the UCT, GSB, he said: "The thing is the world of the Sopranos isn't very different from Wall Street. It's all business. It's all about the money and it's all about the game, and everyone wants to be the master of the universe," he said. "And that's a major problem we have today. There is a lack of moral leadership and everyone is out only to look after themselves."

He, in a snap of self-deprecating humour, described himself as "a card carrying capitalist who drives high performance cars, owns nice suits, and has a high maintenance wife."

"So," he said, "I understand business."

But he believes fundamentally that a person "can do good, and do well" and if you had to ask him why business is always bad, he'd abruptly answer: "It's not."

"Business is not inherently bad, it's only that business happens to offer many temptations," he said. "Wall Street offers many, many temptations."

It's a temptation that has proven too strong for many.

Charles Ponzi seduced investors with promises of lavish returns in 1920. His scheme brought in massive amounts of money but collapsed when he paid out new investors' money to earlier investors and himself. More recently, in 2008, Bernie Madoff, the respected investment banker with the "magic touch", was arrested when his \$50 billion scheme collapsed dragging down with it well-known investors and non-profits.

Mike Milken, the "Junk Bond King", was arrested in 1989 on 98 counts of racketeering and securities fraud as a result of an insider trading investigation.

He was sentenced to ten years in a federal prison, but only served two and paid \$200 million in fines and \$400 million in restitution. He was a trusted financier and philanthropist.

The list goes on. Little needs to be said about AIG, Lehmann Brothers, Goldman Sachs, and the most iconic of all Enron. At one point the American energies, commodities and services company was considered the most innovative company in the US. It is now the symbol of corporate corruption and fraud. Gini calls it "the perfect case study of corporate greed."

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While recalling some of these examples and many others, Gini took great pleasure in knowing that some of the perpetrators are sitting behind bars, but asked why good businessmen become rotten. "It's the game."

"People in the game cannot step out of the shadow of self. They will not step out. And in the game, they need not," he said. "But when you break ethics down, it all hinges on the willingness to stand outside of the shadow of ourselves." Leadership isn't selfish and egotistical. Moral leaders serve others. They do not rule over them for self-gain.

He said that good business leaders know that business is there for creating value, that it is always communal, and that any actions should be taken in sympathy with others. He said that good leaders know that they set the tone for their organisations; corrupt leaders lead corrupt organisations.

"Corporate cultures clone their own. Their internal cultures are perpetuated

constantly. Like it or not, business ethics is driven by moral leadership. And there are few excellent leaders out there. They are truly hard to find," he said.

"But every now and then, one comes along, and redefines the game. They lead by serving and they strive to always do the right thing."

According to Professor Kurt April, professor of Leadership at the GSB, South African businessman Graham Power is considered by many to be an example of just such a person. He is the founder and chairman of the Power Group, and founder of Unashamedly Ethical.

He was *Die Burger* newspaper's businessman of the year in 2005, and in 2006 was voted one of South Africa's leading managers by the CRF Institute. In 2008, the Power Group was awarded the Business Against Crime Continuous Support award, the same year in which Power construction received a certificate of acknowledgement at the Govan Mbeki awards ceremony for its contributions to housing the poor. In 2010 the group received an award for social affairs and services at the Civic Honour's Ceremony in Cape Town in recognition of its outstanding contribution to society.

In an announcement on the Power Group website Powers reiterates the company's focus on ethical practice.

"It is an undertaking that this company, its culture and ethics will continue to thrive long after our time. Far from being a fanciful notion or a pipedream, this is an actual long-term business objective, with definite processes and courses of action put in place to ensure its fulfilment in ten, twenty – and even more – decades from now," he said.

Ethics is part of the group's performance management system. Ethical dimensions are measured in leadership assessments, internal customer evaluations, external evaluations and culture and climate surveys; forming part of performance contracts, which affect bonuses. The company also has an ethics hotline.

This is one example, and there are more of these leaders, for whom ethics is a verb. And it is they who need to be emulated. ■